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FOR IMMEDIATE RELEASE

City Council Approves Tax for Adult-Use Cannabis Sales

Kankakee, IL – On Friday, September 27, 2019, the city council held a special meeting to consider an ordinance approving the maximum tax allowed by the state of Illinois which is a three-percent sales tax on adult-use cannabis. The city council unanimously approved the vote by 11-0. Absent from the meeting were Aldermen Carl Brown (D-2), Jim Faford (R-4), and Mike O'Brien (D-2).

To have the tax be effective January 1, 2020, the ordinance had to be submitted to the Illinois Department of Revenue no later than October 1, 2020.

Following the vote, Mayor Wells-Armstrong thanked the community members, city council and administration for the amount of effort that has been extended to learn about the cannabis industry, the time taken to engage constituents regarding their viewpoints and the time taken to hold extra meetings outside the regular meeting schedules.

Mayor Wells-Armstrong further stated, "I am asking all city council members to consider using at least a portion of cannabis sales to offset the cost of the vehicle sticker. While the property sales tax reduction was a great effort by the administration and council to reduce the burden of taxes on property owners, many renters did not feel that reduction because they do not own their homes and/or businesses. We all know the sticker has been a source of contention for many residents. Especially since the cannabis legislation includes an equity component, I believe it is important that we take into consideration that we have an opportunity to provide relief to every resident in the City."

The vehicle sticker generates approximately \$475,000 annually and is allocated to the general fund for operations.

Effective January 1, 2020, adult-use cannabis becomes legal in the state of Illinois. Medicinal cannabis has been legal in the state since 2013 and Cresco Labs has been growing cannabis in the city of Kankakee for several years with no incidents related to crime.

Because the industry is expanding, it is uncertain how much revenue will be generated. However, the local Cresco Labs site is currently working on a construction plan to accommodate the demand of cannabis resulting from the new legislation. Additionally, the site will need to add approximately 75 employees.

The city council has until the end of the year to enact ordinances which will define the types of facilities allowed in the city of Kankakee. Proposed zoning maps have been created to determine the types of facilities to be considered and locations of sites within the City. Under the new legislation, municipalities can opt out but residents will be allowed to use cannabis in their private residences once the Adult-Use Cannabis legislation becomes effective.

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The City of Kankakee is dedicated to protecting, building and nurturing the community while enhancing lives. We are a historic, vibrant, and active riverfront community. We continue to transform into an extraordinary place to dream, grow, and thrive. Embracing our diversity, we strive to be progressive, inclusive, and innovative. For more information on the City of Kankakee, please visit the website at www.citykankakee-il.gov.